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TAGS: PREL ETRD BU US
SUBJECT: MEETING OF ASSISTANT SECRETARY BURT WITH
BULGARIAN FOREIGN TRADE MINISTER KHRISTOV

1. SUMMARY: FOREIGN TRADE MINISTER KHRISTOV SPOKE POSITIVELY ABOUT PROSPECTS FOR US-BULGARIAN TRADE DURING A CORDIAL MEETING FEBRUARY 23 WITH ASSISTANT SECRETARY BURT. HE ALSO ALLUDED TO NON-ECONOMIC FACTORS THAT INFLUENCE THE PRESENT LEVEL OF TRADE, I.E. COCOM AND HIGH EXPORT CREDIT INTEREST RATES. HE POINTED TO FOOD PROCESSING, CHEMICALS, METALLURGY AND INDUSTRIAL AUTOMATION AS AREAS OF GOB INTEREST. HE PROMISED COOPERATION IN CONNECTION WITH THE FORTHCOMING BUSINESS ROUNDTABLE. ASST SECY BURT EXPLAINED USG REASONS FOR STRENGTHENED TRADE CONTROLS, WHILE OPPOSING PROTECTIONISM. TERMING DECLINING U.S. EXPORT TO BULGARIA AS DISAPPOINTING, BURT EXPRESSED SUPPORT FOR THE BUSINESS ROUNDTABLE AND EXPANSION OF TRADE IN NON-SENSITIVE AREAS. HE WARNED KHRISTOV THAT OVERALL POLITICAL RELATIONSHIPS WOULD INFLUENCE TRADE. END SUMMARY.

2. ASSISTANT SECRETARY RICHARD BURT MET WITH FOREIGN TRADE MINISTER KHRISTOV FEBRUARY 23, 1984. BURT WAS ACCOMPANIED BY AMBASSADOR BARRY, DAS MARK PALMER, EUR/EEY DEPUTY DIRECTOR ROLAND KUCHEL, AND ECONOFF BULTER. KHRISTOV WAS ACCOMPANIED BY YOVCHO RUSEV, DIRECTOR GENERAL FOR TRADE WITH CAPITALIST COUNTRIES, AND NIKOLAI STEFANOV, DIRECTOR FOR TRADE WITH OVERSEAS COUNTRIES.

3. ALTHOUGH KHRISTOV ALLUDED TO NON-ECONOMIC FACTORS IN THE CURRENT LOW LEVEL OF TRADE WITH THE U.S., HE SPOKE POSITIVELY ABOUT POSSIBILITIES FOR EXPANDED COOPERATION WITH U.S. COMPANIES. HE SPECIFIED THE FOOD PROCESSING, METALLURGICAL, CHEMICALS AND INDUSTRIAL AUTOMATION AS PRINCIPAL AREAS OF INTEREST TO THE BULGARINS. HE RECALLED CHEMICAL INDUSTRY MINISTER RANKOV'S VISIT TO THE U.S. AS AN EXAMPLE OF PROGRESS ALREADY BEING MADE. HE SAID THAT THE

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VISIT OF CODEL GIBBONS HAD GIVEN, AND THE BURT VISIT WOULD GIVE, IMPETUS TO EXPANDING RELATIONS.

4. KHRISTOV THEN COMPLAINED MILDLY ABOUT THE GROWING COCOM LIST. IN A REFERENCE TO THE KOSTADINOV CASE, HE JOKED THAT COMMODITIES COULD NOT BE PUT IN JAIL, ALTHOUGH PEOPLE COULD. HE ALSO COMPLAINED ABOUT OECD EXPORT CREDIT CONSENSUS INTEREST RATES, AND SAID THAT THE U.S. LOST SOYBEAN SALES TO BRAZIL BECAUSE OF NON-AVAILABILITY OF CREDITS. HE SUGGESTED THAT BOTH THE COCOM LIST AND THE LEGAL FRAMEWORK (MFN) COULD BE CHANGED WITH THE RIGHT POLITICAL ENVIRONMENT.

5. KHRISTOV PUT A PLUG IN FOR THE FORTHCOMING US-BULGARIAN BUSINESS ROUNDTABLE, PROMISING PRAGMATIC INDIVIDUAL PROGRAMS FOR PARTICIPANTS. REMINISCING OF HIS DAYS AS THE FIRST BULGARIAN CO-CHAIRMAN OF THE BULGARIAN-AMERICAN ECONOMIC COUNCIL (NOW DEFUNCT), HE APPEALED FOR THE ORGANIZATION'S RESSURRECTION AS A NECESSARY CHANNEL IN BILATERAL RELATIONS.

6. ASSISTANT SECRETARY BURT EXPLAINED THE ADMINISTRATION'S POSITION ON THE NEED FOR STRENGTHENED TRADE CONTROLS TO PREVENT DIVERSION OF SENSITIVE TECHNOLOGY TO THE SOVIETS. HE ALSO STRESSED PRESIDENT REAGAN'S COMMITMENT TO FREE TRADE IN THE FACE OF DOMESTIC PRESSURES.

7. TURNING TO BILATERAL ECONOMIC RELATIONS, HE EXPRESSED SUPPORT FOR EXPANDING TRADE IN NON-SENSITIVE AREAS. TERMING THE 40 PERCENT FALL IN U.S. EXPORTS TO BULGARIA LAST YEAR DISAPPOINTING, BURT CALLED ON KHRISTOV TO PROVIDE THE EMBASSY WITH THE NECESSARY SPECIFICS TO AID IN THE ORGANIZATION OF THE BUSINESS ROUNDTABLE. HE CONCLUDED THAT WHILE THERE ARE OPPORTUNITIES IN BILATERAL TRADE, ECONOMIC RELATIONS ARE NOT IN A VACUUM. THE BILATERAL AND GENERAL INTERNATIONAL POLITICAL ENVIRONMENT WILL INFLUENCE TRADE DEVELOPMENT. PROGRESS IN SOME AREAS WILL LEAD TO PROGRESS IN OTHERS.

8. COMMENT: KHRISTOV TOOK AN UPBAT LINE ON BILATERAL TRADE, REPEATING THE BULGARIAN LINE THAT THEY WERE NOT APPLYING POLITICAL LINKAGE TO THE ECONOMIC RELATIONS WITH THE U.S.
BARRY
END OF MESSAGE

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